Collection

PRESERVED

G. R. S. App. F. IX-4]

Previous References.

194 -

(LEGIS.)

File No. 11-42

Serial Nos.

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One only

Part B for Sept 1942

SUBJECT.

~~Bill~~ Act to amend the Insurance Act

2.

The Compiler Mysore Gazette

RL 105 Legis 11-42-1 dated 22nd Aug.

directs the publication of the Insurance Amendment Act 1942 as Act No XXII of 1942

K.S. Mysore

Serial No.

Extract from Financial Secretary's order on the ~~please make a~~ Gazette of India (Extraordinary) New Delhi, Friday, February 7, 1941.

"Please make a note of the amendments of Insurance Act and find out whether consequential amendments are not necessary in Mysore. Quick action is necessary."

The amendments of the Insurance Act are being ~~done~~ issued in the A & T. which is the administrative Branch.

If approved, this will be sent to the A & T branch for necessary action.

Sm
26/2
By

The Insurance Act does not apply to the State Life Insurance, and has application only to business carried on by Insurance Companies in the State.

The question is one for examination by the J.S. Companies Section, in consultation with the ~~Registrar~~ Registrar of J.S. & Supdt of Insurance. May be perhaps referred to the Dewan.

CJ 26/2

Dele

Serial No.

It is submitted that the present Bill contains seventy one clauses for amendment of the present Act. Covering over twenty pages of printed matter The Bill has been introduced in the Legislative Assembly and is understood to have been referred to the Select Committee. The Bill contains very important changes viz renewal of registration of insurers, increase in the fee charged for licence, grants to agents, the existing policy holders' right to mutual benefit scheme is unreasonable, and there is likely to be a lot of opposition from the vested interests at the State of consideration. Apart from this Bill there is an Amending Act in force which was passed by the Legislature in 1940 which relates to reciprocal arrangements etc along with other amendments. In connection with the question of bringing up the amendment of the Act in 1940 the Superintendent of Insurance reported that as the Govt of India contemplated also to bring in a comprehensive Bill to deal with the provisions of the Provident Insurance Societies Act amendment be taken up in October 1940. The Bill as passed by the Central Legislature in 1941 contains thirteen clauses covering nearly eight pages of printed matter as amendments. When the Bill was introduced in the Central Legislature it is of a comprehensive and controversial character it is for orders whether it is not desirable to wait for the passing of the Bill through the Legislature and take up the Market

J.S. 3139-1-4)

Serial No.

the amendment of the Insurance Act in respect of the risks of ~~the Act~~ the amendments passed by the Central Legislature. LWS

7/3/41 8/3

For favours of general and ...
We may perhaps await the passing the bill by the Central Legislature.
Meanwhile the Legal ... may perhaps be requested to ... examine the Govt of India bill and the proposals for amendment of our ... Soon after the bill is passed into law ... Central legislature. /

11/3

DWB) 10/3/41

Fin Member)

MEE
24/3/41

24/3/41

Dft Letter for approval

25/3/41 26/3

2 D/T 6840 D/31.3.41 to the Superintendent Govt Printing Bureau, Simla. Re Gazette of India - Extraordinary 7th Feb 41, Calls for proposals for amendment of the Insurance Act

(illegible) MAR 20 1941 No 00423

TYPING SECTION 341 REV. SECTT.

3167/804/1042/3119

S File No. 40 of 1940. | General and revenue Secretariat

Serial No.

~~Letter~~ No 810 dated the 29th August 1941 from the Secretary Lucknow Chamber of Commerce requesting that the Insurance Bill in Lucknow be amended to be on a par with the Bombay Bill.

It is submitted that the Superintendent of Insurance was addressed on 31-3-41 to forward his proposals for amending the Act in Lucknow after the Bombay Bill was passed into law. No reply has yet been received in the matter. Off Do letter to the Superintendent of Insurance, as to when the proposals may be expected is submitted

9/41 9/9

9/9

"Immediate No AF 1966 dated the 11th Sept 41 R.

Letter No Mis 2C I/41-42 dated 16-9-41 from the Superintendent of Insurance in Lucknow forwarding a draft bill for amending the Insurance Act of 1939 together with the Statement of objects and reasons and notes on clauses as also the statement containing the reasons for not incorporating the amendments passed in Bombay Assembly.

Extract of the minutes of the Minister for Evacuation in J.S. File 3-41 (Diary 2826) on the affairs of the Reliance Assurance Company

---

"A copy of all the amendments proposed may be prepared and placed before the next

Note J. M. 9/11-2-42

Note V. U. M. 11-2-42

Serial No.

Letter dated the 24th July 1942 from the Secretary to the Rangoon Chamber of Commerce requesting certain amendments to the Insurance Act in British India may be adopted in Burma also.

Note of the Desk Asst. in the P.W.D.

"The file on this subject should be submitted without delay."

Sd/- V. U. 25/11/42

Sd/- 25/11/42

It is submitted that since the passing of Insurance Act in Burma 1939 there have been several changes in the British Indian Act. After the passing of the British Indian Act in 1938 no less than 125 amendments have been incorporated in that Act by the Acts of 1939, 1940 and 1941. While the Insurance Bill proposed in Burma was being passed through the Legislature some of the amendments of the Act II of 1939 were incorporated into the bill and the remaining left out. This draft bill is thus the outcome of the remaining amendments adopted in British India. The Subcommittee of Insurance which forwarding the draft bill has taken up only ten amendments for practical consideration as being very useful and important and has left several of them for later consideration. He has explained in a letter explaining why these amendments may be taken up at a later stage. In the Statement submitted by him several amendments have been

Considered necessary on adoption but this Consideration is postponed to a later date. A Statement containing the relevant particulars of the Act with the amendments proposed are put up in the form of a Statement and Articles. The Statement of Objects and reasons with the additions suggested therein with regard to the broad principles of the Bill and the note on clauses as explanatory memorandum, the draft bill now forwarded may be passed through the R. A and the L. C and translated into law. As regards the other amendments the Superintendent of Insurance will be required to go through carefully all the amendments in corresponding to the Acts of 1939, 1940 and 1941 in British India and prepare a Comprehensive bill containing all the amendment necessary for adoption in Burma for Consideration by Govt at a later date. The opinion of the Legislative Dept of the Burma Chamber of Commerce with the amendment in the British India Act have been received with the Act of 1939 in Burma as also with the Statement showing the nature of amendments and the reasons for alteration for similar adoption in Burma and the draft bill now prepared.

Submitted for orders

A 2/3/42 3/3 The draft amending bill as now put up may be adopted for placing before the R.A at its June Session

Insurance (amendment) Bill

983/M

General and Revenue Secretariat | File No. | of 194 | [App. F. III-2

Serial No.

There may be taken into consn at a later stage, as opined by the Supdt. WD

The Supdt of Insurance may be asked to examine the other amendments passed by the Legislative Assembly and submit in due course an amending draft bill incorporating all the amendments which may be found necessary in our Act.

For orders

L 3/4/42

Daly)

A. This may be done.

My Sec[t] of Objects & Reasons, with draft of amending Bill, may be approved.

Min. Edn

Chief Sec[t] Law

WD 21/3/42

The Leg. Sec. may scrutinise this carefully.

Hm 2 2/3/42

Please put up a copy of the Mysore Insurance Act.

BKR 30.3.42

Of the several amendments effected to the British Indian Insurance Act by the Amending Acts of 1940 and 1941 a few have been suggested by the present Superintendent of Insurance in Mysore for incorporation in the Mysore Act. The amendments now proposed have

W.D.4155--G.T.D.--55,000--23-10-41

Serial No.

been scrutinised with reference to this limited object and the following suggestions are made in respect of the amending Bill.

1. In the preamble the word "further" may be omitted as this is the first Amending Act.

2. In sub clause (2) of clause 2 the numbering of sub-sections in the proposed section 3 A may follow the British Indian numbering. Sub-section (3) of section 3 A will then become sub-section (5). Similarly in the proposed section 70 A (clause 6 of the Bill) sub-sections (3) and (4) will become(4) and (5). In the Mysore Act, the numbering of the British Indian Act has been adopted and where certain sub-sections or sections have been omitted those numbers have also been omitted, for example, section 7(7).

3. In section 17, the words proposed to be replaced are not "and such copies so sent" as in the British Indian Act, but "and the copy of the accounts and Balance Sheet so sent".

4. In sub-section (3) of section 52 proposed to be added by clause 5 certain words have been omitted, presumably by oversight. They have been added to the Bill.

5. Clause 9 may be recast as follows:-

"9 (a). Section 116 of the said Act shall be renumbered as sub-section (1) of that section

Serial No.

and in the section as so renumbered, for the words, figures and brackets_____ shall be substituted;

(b) To the section as so renumbered the following sub-section shall be added, namely.—

In section 116 of the words proposed to be replaced, the words "either absolutely or subject to such conditions or modifications as may be prescribed in the notification" may perhaps remain as in the British Indian Act. It gives power to Government to exempt foreign Companies either absolutely or conditionally, and could be retained with advantage.

All these suggestions have been indicated in the copy of the Bill put up.

Date 15-4-42
No. 5499

10.4.42
Secy
RA & LC)
Law Secy)

BKR
11.4.42

The above suggestions may be incorporated and the draft Bill may be approved.

Dev Secy
Mc.)

Hm
2
14.4.42

For appl.

BKR
14.4.42

Min. Edn)

15/4/42

16.4.42 xx

17/4/42

2

3+b 319

File No. of 194

General and Revenue Secretariat
R. A. & L. C.

Serial No.

Council matter

Subd for appl ; may be disposed of by circulation.

(Dewan).

WW
20/4/42

9099

WW
22/4/42

ch (dealt w/cmte)

WW
22/4/42

For 22.4

C.S.

22 APR 19[illegible]
GOVT OF [illegible]

Cir Memo Subd

23/4/42

For Disposal by Circulation.

No. C. 117

1941-42

GENERAL AND REVENUE SECRETARIAT

Council Matter.

Subject

Bill to amend the Insurance Act in Mysore.

Circulated to the Council of Ministers.

By Order,

W. S. L... 24/4

24th April 1942. *Chief Secretary to Government.*

Minister for Finance and Revenue. KA 24.4

Minister for Law.

Minister for Education. (Seen)

Minister for Local Self-Government and Public Health. 42 25.2.42

Dev: Secy o/c.

D.F.N. 27/4/42

Serial No.

Send with a D.O.

Please put up a fair draft.

28.4

Typing instructions for putting up a typed

28/4

Fair copy sent

28/4

Secy)

29.4

D.F.N. for appl.

Min. Edn)

29/4/42

29.4

30.4.42

F.N. placed below.

S. N. submitted.

OFFICE
4 MAY 1942
9458

OFFICE OF THE MINISTER FOR EDUCATION
Date 1.5.42
No. 5752

Final Note by the Minister for Education.

Subject.—

Bill to amend the Insurance Act in Mysore.

With the gracious assent of His Highness on 13th July 1939 an Act to regulate and control insurance business in Mysore on the lines of the Act in British India was promulgated. The Act came into effect from 1st January 1941. Since the promulgation of the Act several amendments have been incorporated in the British Indian Act. Reciprocal arrangements between British India and Mysore have been effected in respect of the deposits and investment of assets.

It has been considered necessary to incorporate some of the amendments enacted in British India into the Act in Mysore to bring it in line with the Act in British India in matters essential to the administration of the Act. A draft Bill has therefore been prepared incorporating the more important of the amendments omitting the ordinary and routine ones, to achieve the purpose mentioned above, and it is proposed to place the Bill before the ensuing Representative Assembly and Legislative Council with the general principles and statement of objects and reasons.

The proposal has been agreed to by the Dewan and other Ministers and I solicit the gracious sanction of His Highness to place the draft Bill before the ensuing Representative Assembly and Legislative Council for consideration.

Bangalore,
1st May 1942.

MINISTER FOR EDUCATION.

Submitted to His Highness.

I submit herewith a Final Note by the Minister for Education *on the subject of* Bill to amend the Insurance Act in Mysore

for His Highness's gracious ~~approval.~~ sanction.

N. Madhava Rao

Dewan.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Bill to amend the Insurance Act in Mysore.

Order.

VW
8/5/42

General and Revenue

Secretariat.

C.917.

SUBJECT :—

Bill to amend the Insurance Act in Mysore.

(*)

14. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

16. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

17. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Council of Ministers for perusal of His Highness' orders before/~~after~~ issue of orders. (*Vide* Rules 14, 16 and 17 of the Subsidiary Rules for the conduct of business of Council in the Mysore Government Business Rules.) (*)

Chief Secretary to Government.

Through the Secretary to Government,

~~Revenue~~ Department.

7103
14.5.42

Minister for Finance and Revenue.

Minister for Law.

Minister for Education.

Minister for Local Self-Govt. and Public Health.

WD 06360—GPB—500—23-3-42

Insurance (amendment) Bill

General and Revenue Secretariat
R. A. & L. C.

File No. of 194 . App. F. III-2

Serial No.

The Statement of principles and the Bill have been placed before the Hon'ble Member on the 4th instant and approved by that House.

The Bill will be published if approved under the orders of the Dewan under rule 36 of the Legislative Rules.

The Statement of Objects and Reasons including notes on clauses is for consideration and may be approved.

Secy (Revenue) 5.6.42

BKR 6.6.42

Law Minister) 6/6 BKR 6.6.42

Dewan)

RLL 6/6/42

Subject with draft notification BKR 6.6.42 under Rule 36 of the Legislative Rules, for approval.

RBR

Issue 6.6.42

Issued vide PL 2573 dated 6.6.42

The Insurance (Amendment) Bill

3167 953 RL

of 194 .

General and Revenue Secretariat
R. A. & L. C.

Serial No.

As the # Insurance (Amendment) Bill is proposed to be placed at the ensuing session of the L.C. for being enacted into law, the following 'Motions' in respect of the bill are put up for consideration.

1) Motion to introduce the bill and to mine that the bill published under rule 36 of the Assam legislative rules, be taken into consideration by the Council at once.

Mover - Minister for Education

2) Motion that the bill be passed

Mover - Minister for Education

DSR
1.6.42

BKR
10.6.42

Minister for Education)

OFFICE OF THE MINISTER FOR EDUCATION
Date 12.6.42
No. 6341

10.6.42

Mrd.V.

BKR
13.6.42

The Bill was introduced in the L.C. & passed.
A Draft is put up for approval

OFFICE OF THE MINISTER FOR EDUCATION
Date 1-7-42
No. 4

Secy
Min of Edn)

BKR
14.6.42

Law Secy
Edn minister

(Signed J.N. is put up)

1.7.42

BKR
1.7.42

SECY. LAW DEPT. SHILLONG
30 JUNE 1942
GOVT. OF ASSAM

The Insurance (Amendment) Bill

Continuation Sheet. File No. 983/RL Current No. of Page.

A. & S.N. is submitted for approval

2W
3.7.42
BVN
3/7

Secy
RA.2e)
Sow
4.7.42

BXR
4.7.42

Law Secy
Secy
Home)
hpp
6.7.42

BXR
6.7.42

Final Note by the Minister for Education.

Subject.—

Promulgation of the Insurance (Amendment) Bill.

On the 8th of May 1942, His Highness the Maharaja was graciously pleased to approve of the proposal to amend the Insurance Act of 1938 in certain particulars. A Bill drafted for this purpose was placed before the Representative Assembly during its recent Budget Session and was approved by that Chamber. The Bill was thereafter introduced in the Legislative Council during its present session and was passed by the Council.

A copy of the Bill as finally passed by the Council and signed by the President is submitted to His Highness the Maharaja under Standing Order 45 of the Mysore Legislative Council Standing Orders.

I solicit the gracious sanction of His Highness to promulgate the Bill into law.

Bangalore,
2nd July 1942.

MINISTER FOR EDUCATION.

Submitted to His Highness.

I submit herewith a Final Note by the Minister for Education on the subject of the promulgation into law of the Insurance (Amendment) Bill, for His Highness's gracious approval.

N Madhava Rau

Bangalore,
6th July 1942.

D E W A N.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Promulgation into law of the Insurance (Amendment) Bill.

Order.

17/42.

General and Revenue

Secretariat.

C 68.

SUBJECT:—

Promulgation into law of the Insurance (Amendment) Bill.

(*)

14. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

16. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

17. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Council of Ministers for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 14, 16 and 17 of the Subsidiary Rules for the conduct of business of Council in the Mysore Government Business Rules.) (*)

M. S. [illegible] 1942

Chief Secretary to Government.

Through the Secretary to Government,

...Law.....Department. 16-7-42

579 / 20.7.42 — Minister for Finance and Revenue. [illegible] 21.7

660 / 20.7 — Minister for Law. [illegible]

238 / 16.7. — Minister for Education. [illegible] 17.7.

6[illegible] / 17.7.42 — Minister for Local Self-Govt. and Public Health. 17.7.42

Law Secy w/c. 21-7-42

WD 06360—GPB—500—23-3-42

BKA 21.7.42

The Insurance (amendment) Act, 1942

24

Continuation Sheet. File No. Current No. Page.

The gracious assent of His Highness was accorded on the 8th July 1942 to forthwith gate the Bill in Law.

A draft G.O. directing publication as Act No XXXII of 1942 is submitted for affirmation.

W.
22-7-42

Secy (RA & LC)

Secy (Law)

Law Secy

Govt

BXR
22-7-42

Govt
22-7-42

Govt
BXR
22-7-42

SECY. LAW DEPT. 829 22 JULY 1942 GOVT OF MYSORE

Attached No RL 105 - Legis 11-42-1 dated 22nd July 1942, to the compiler Mysore Gazette

copy of the Act is put up herewith the file may be recorded.

Govt
-7-42

W.

Appendix F G—1]

SUBJECT... .....

.....

.....

Section T.S.

File No. 40-40

Serial No. 2

Diary No. of letter replied to.. .....

No. AF 6840

To The Secretary to Government of India in Finance

General and Revenue Secretariat

( )

the *193*

Sir,

I am directed to invite reference to the Extraordinary issue of the Gazette of India dated 7-2-41 publishing a Bill to amend further the Insurance Act 1938 and to request you to kindly examine this Bill along with the Remaining Act passed in 1939 and 1940 and to forward proposals for Removing the Insurance Act in Force soon after the Bill is passed into law by the Central Legislature in British India.

I have etc

Date of issue 31-3-41

Signed by Mr. G.M.

List of enclosures.....

Copied by .....

Examined by.....

WD 0563—GPB—30,000—6-1-39

No. A7684O

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

Dated, Bangalore, 31st **March 1941.**

FROM

The Secretary to the Government of His Highness the Maharaja of Mysore.
Development Department.

To

The Superintendent of Insurance
in Mysore, Bangalore.

S i r,

I am directed to invite reference to the Extraordinary issue of the Gazette of India dated 7th February 1941 publishing a Bill to further amend the Insurance Act 1938 and to request you to kindly examine this bill along with the remaining Acts passed in 1939 and 1940 and to forward proposals for amending the Insurance Act in Mysore soon after the Bill is passed into law by the Central Legislature in British India.

I have the honour to be,

Sir,

Your most obedient servant,

29/3/

for Secretary to Government,
Development Department.

810.

804 27

TELEPHONE NO. 2226

THE MYSORE CHAMBER OF COMMERCE

MEMBER OF:

THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY, INDIA
THE FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE, LONDON
THE INTERNATIONAL CHAMBER OF COMMERCE INDIAN NATIONAL COMMITTEE, PARIS
THE INDIAN CHAMBER OF COMMERCE IN GREAT BRITAIN, LONDON

Ys. 40-Co-3

Bangalore City, 27th August 194 1

GEN. 28/8/41 ABS. FOREST BRANCH.

SECY. LAW DEPT. 28 AUG. 1941 GOVT OF MYSORE

I believe this is not dealt with in the Fin. Br. please write. (H.L. 28/8)
Aff Br)
B 28/8

From

The Secretary,
Mysore Chamber of Commerce,
Bangalore.

To

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Law Department, Bangalore.

Sir,

Amendment to the Mysore Insurance Act, 1939.

I am desired by the Committee of the Chamber to address you in regard to the amendments to the Mysore Insurance Act, 1939, which has been introduced in the State on the lines of the Indian Insurance Act, 1938. The Indian Insurance Act, 1938, has undergone many amendments since its enactment in 1938, but so far, the Government of Mysore have not introduced any bill or bills in their Legislature to amend the above referred to Mysore Act in the light of the amendments adopted by the India Legislature. The Government of India, having found certain difficulties in the working of the Act, introduced suitable Bills to amend the Act of 1938. As representations have been made by interested parties to the Chamber in the matter, it seems necessary that the Mysore Act should be amended to bring into tune with the Indian Act, so that the working of the Act may run smoothly and satisfactorily.

I have the honour to be,
Sir,
Your most obedient servant,

H. Shamanna Iyer

Secretary.

ppendix F G—1]

UBJECT.....

.....

.....

Section T.S

File No. 40-40

Serial No.

Diary No. of letter replied to..... 40 No. A 71266

To

Dear Sir

I am desired to invite your reference to this office letter No AF 6840/T.S. 40-40-2 dated 31-3-41 calling for proposals to amend the Insurance Act in ~~Mysore~~. and to enquire when the proposals in the matter may be expected to be received in this office

Yours obediently

for

To

M. Venkatasubbayya Esq MA

Supdt. of Insurance in Mysore

Bangalore

General and Revenue Secretariat

( )

the 193

Date of issue 11-9-41

Signed by

D. O. No. A 7. 266

GENERAL AND REVENUE SECRETARIAT

Dated, Bangalore, 1st September 1941.

29

Dear Sir,

I am desired to invite your reference to this office letter No.A F 6840/J.S.40-40-2 dated 31st March 1941 calling for proposals to amend the Insurance Act in Mysore and to enquire when the proposals in the matter be expected to be received in this office.

Yours sincerely,

M. Venkatesa Iyengar, Esq., M.A.,
Superintendent of Insurance
in Mysore, Bangalore.

AC/2.

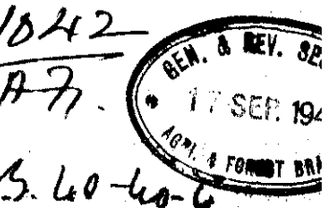
OFFICE OF THE SUPERINTENDENT OF INSURANCE
IN MYSORE,

Bangalore, dated... ....13th....September.....*1941*.

16

1042

A7.



V.S. 40-40-4

FROM

M. Venkatesa Iyengar, Esquire, M.A.,
Superintendent of Insurance in Mysore,
BANGALORE.

To

V. Vedavyasacharya, Esquire, B.A.,
Secretary to the Government
of His Highness the Maharaja of Mysore,
Development Department,
BANGALORE.

SIR,

With reference to your letter No.A.F.6840/J.S.40-40-2 dated the 31st May 1941 requesting to forward proposals for amending the Mysore Insurance Act 1939, after examining the bill further to amend the Insurance Act 1938 published in the Extra-ordinary issue of the Gazette of India dated 7th February 1941, and the Indian Insurance (Amendment) Acts of 1939 and 1940, I have the honor to forward herewith a draft bill together with the statement of objects and reasons and notes on clauses.

The proposed bill for amending the Mysore Insurance Act 1939, incorporates only the more important of the amendments that have been introduced into the Indian Insurance Act 1938, which are as follows:--

(1) Amendment of Section 3 for validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3 (1) by certain insurers, who did not register themselves under the Act with the hope of obtaining exemptions under the reciprocal arrangement entered into with the Government of India.

(2) Two new Sections, viz., 3(A) (ii) and 70 A have been introduced providing for the annual renewal of registration of insurers and Provider Societies on payment of a prescribed fee.

(3) Section 42 is amended so as to enhance the fee for grant of an Insurance Agent's licence.

(4) Section 52 of the Act is amended to provide for the investigati by an Actuary and equitable distribution of assets in case of closing of

business on the dividing principle.

(5) Section 116 is amended so as to empower Government to exempt insurers registered out side Mysore from any of the provisions of the Act with a view to obtain similar exemptions for the local insurers carrying on insurance business outside Mysore. The amendment is also intended to bring in Provident Societies also within the scope of this Section.

The other amendments introduced into the Indian Insurance Act, 1938 are either verbal or such as it is not necessary to introduce urgently into our Act. The question of further amending the Act may be taken up, some time later, if found necessary. A statement - showing the amendments introduced in the Indian Insurance Act and the nature of the amendments and the necessity or otherwise for similar amendments to the Mysore Insurance Act is also enclosed for reference.

I have the honor to be,

S i r,

Your most obedient servant,

M. Venkatesalapathi

SUPERINTENDENT OF INSURANCE.

STATEMENT OF OBJECTS AND REASONS.

The main object of the Bill is to amend the Mysore Insurance Act, 1939, in order to facilitate the working of the reciprocal arrangements that it has been proposed to be entered into with the Government of India.

2. The principal amendments included in this Bill provide for, (a) validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3(1) by certain insurers who did not register themselves under the Act in the hope of obtaining exemption from registration in view of proposed reciprocal arrangements to be entered into with Government of India; (b) grant of permission to the public to inspect or get copies on payment of a fee of documents filed by insurers; (c) protection of the interests of policy holders concerned when a Provident Society ceases to carry on insurance business on the dividing principle; (d) extension of granting reciprocal exemptions under Section 116 to provident Societies also.

3. The Bill also provides an annual fee for renewal of registration of insurers and provident Societies and for an increase in the fee charged for agents' licences. These provisions are proposed in order to increase the realisations under the Act

NOTES ON CLAUSES.

Clause 2:- The first amendment made by sub-clause (i) makes registration applicable to persons before they become insurers in the technical sense by commencing insurance business. The second removes doubts about the validity of policy contracts entered into after the expiry of three months mentioned in Section 3 (1) by certain insurers, who failed to obtain a certificate of registration in the hope of being exempted from registration in view of the proposed reciprocal arrangements with the Government of India. The insertion of the new Section 3 A by sub-clause (ii) provides for the annual registration of insurers on payment of a prescribed fee on a sliding scale, but not exceeding Rs.1,000/- for each class of business.

Clause 3:- The insertion removes an existing doubt whether filing fees under the Mysore Companies Act, 1938, are payable where advantage is taken of the provision of Section 17 of the Insurance Act.

Clause 4:- The amendment in sub-clause (a) provides for increasing the license fee to three rupees. The amendment to sub-clause (b) is made to secure that the work of renewing the large number of licences which have to be dealt with annually should be distributed through out the year and provides for a penalty not exceeding one rupee if renewal is applied for late. The addition of sub-clause (c)

provides for the issue of a duplicate if the original licence is lost.

Clause 5:- The additions provide for equitable winding up of all insurance business on the dividing principle, when such business becomes unlawful after 1st January 1943 except in cases where the Superintendent of Insurance sanctions the measures for winding up.

Clause 6:- The first Section inserted by this clause provides for annual renewal of registration of provident Societies on the same lines as clause does for insurers.

Clause 7:- Rectifies verbal defect

Clause 8:- The first of the new Sections inserted by this clause enables the Superintendent of Insurance to delega his duties and powers while retaining powers of revision and control. The second provides that documents, e.g., licences may be signed by mechanical process.

Clause 9:- The amendment made by sub-clause (a) widens the extent to which concessions can be granted to insurers registered outside Mysore, operating in Mysore. Sub-clause (b) makes Section 11(applicable also to Provident Societies.

Clause 10:- The existing Section 11

P.T.O.

being redundant when read with Section 3(2)f
~~and~~ is repealed and in its place a new
provision is inserted providing that the
public may inspect or obtain copies of
documents filed under Section 3 (2) f

A BILL TO AMEND THE INSURANCE ACT, 1939.

Whereas it is expedient further to amend the Insurance Act, 1939, for the purposes hereinafter appearing;

It is hereby enacted as follows:---

1. This Act may be called the Insurance (Amendment) Act, 1941.

2. In Section 3 of the Insurance Act, 1939, (hereinafter referred to as the said Act), ---

Amendment of Section 3 of Act XXII of 1939.

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely:--

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of registration in accordance with the requirements of this sub-section shall not operate to invalidate any contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 1941, he has obtained that certificate."

(ii) After section 3 of the said Act, the following section shall be inserted, namely:---

"3 A. (1) An insurer who has been granted a certificate of registration under section 3 shall have the registration renewed annually for each

P.T.O.

year after that ending on the 31st day of December, 1941.

(2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates

(3) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

In section 17 of the said Act, after the words "and such copies so sent" the words "be chargeable with the same fees and" are inserted.

In section 42 of the said Act, ---

(a) in sub-section (1), for the words "one rupee" the words "three Rupees" and for the words "making an application for ~~the~~ under this section" the words "making an application in the prescribed manner" shall be substituted,

(b) in sub-section (3) for the words "shall expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted namely:---

"the prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the licence does not reach the issuing authority before the date on which the licence ceases to remain in force";

(c) after sub-section (5) the following sub-section shall be added, namely:--

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

5. Section 52 of the said Act shall renumbered as sub-section (1) of that ction and to the section as so re-numred the following sub-sections shall be ded, namely:---

"(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 1941, to carry on business on the dividing principle, the insurer shall forthwith cause an investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall,

before the expiration of six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

) Where at any time prior to the commencement of the Insurance (Amend-ment) Act, 1941, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that act, report to the Superintendent of Insurance the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2 shall apply to the insurer forthwith."

3. After section 70 of the said Act the wing sections shall be inserted, namely:--

A. (1) Every provident society registered under this Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 194 ,

2) An application for the renewal of a registration shall be made by the society to the Superintendent of

the 30th ~~June~~ day of June preceding the period for which renewal is sought, * * * * and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the society.

(3) If a provident society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by the society, as he may require.

(4) The Superintendent of Insurance shall, on being satisfied that the society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration.

7. In Section 103 of the said Act, --

(a) In sub-section (1), for the word "transacts" the words "carries on" shall be substituted.

8. After Section 110 of the said Act the following sections shall be inserted, namely:--

"110 A. The Superintendent of Insurance may by general or special order delegate any of his powers or duties under this Act to any person subordinate to him.

The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations and conditions, of any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

10 B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved lithographed or impressed by any other mechanical process approved by the Government." Signature of documents.

9. In Section 116 of the said Act, --- Amendment of Section 11 Act XXII of 1939.

(a) for the words, figures and brackets "from the provisions of Section 7 or Section 98 relating to deposits or from the provisions of sub-section (2) of section 27 relating to the keeping of assets in Mysore, or from the provisions of Sections 11, 12 and 13 relating to the preparation of accounts, audit, and actuarial report and abstracts either absolutely or subject to such conditions or modification as may be prescribed in the notification," the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted;

(b) Section 116 of the said Act shall be re-numbered as sub-section (1) of that section and to the section as so re-numbered the following sub-section shall be added, namely:---

"(2) This section shall apply in respect of provident societies as defined in Part III as it applies in respect of insurers."

Substitution of a new section for Section 119, Act XXII of 1939.

10. For section 119 of the said Act the following section shall be substituted, namely:---

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (f) of sub-section (2) of section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the company."

DRAFT BILL.

M. Venkatasubbiah
REGISTRAR. &
16/6/19 Superintendent

21/3/42

OFFICE OF THE SUPERINTENDENT OF INSURANCE
IN MYSORE,

Bangalore, dated .....16th....September.....*1941*.

l. No. Ins. C I 8/1142

The statement showing the amendments introduced in the Indian Insurance Act and the nature of the amendments, etc., will follow.

FOR SUPERINTENDENT.

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Statement showing the amendments introduced to the Indian Insurance Act, 1938, the nature of the amendments and the necessity or otherwise for similar amendment in Mysore.

GEOV. DEV. SECTT. 19 SEP. 1941 GOVT OF MYSORE

Section.	Nature of the amendment.	Necessity or otherwise for similar amendment in Mysore.
Insurance (Amendment) Act of 1941 (Act XX of 1941.)		
Section 2:- Amendment of Section 2 of Act IV of 1938.	This amendment empowers Government to specify as approved Securities any security issued by a Government of an Indian State after prior notification in the Official Gazette.	There is no need for this amendment in Mysore as such power is already vested in Government under Section 2(2).
Section 3:- Amendment of Section 3 of Act IV of 1938, Clause (a).	The first amendment made by sub-clause (a) makes registration applicable to persons before they became insurers in the technical sense by commencing insurance business and removes doubts about the validity of policy contracts entered into after the expiry of three months mentioned in Section 3 (i) by certain insurers who failed to obtain a certificate of registration.	This has been included in the Amendment bill as it is necessary.
	This is intended to make it clear that Indian State subjects are included in the term 'Indian Nationals' for the purpose of Sections 3 2(e) and 3(3) of the Act.	This is necessary.
	This amendment expands the list of cases in which the Superintendent of Insurance may cancel registration.	This is not necessary to be introduced immediately as it is of no practical importance here, at present
	This supplies detailed provisions covering the consequences of cancellation of registration.	This amendment may be inserted after sub-clause (c) supra is introduced into the Act.
	The amendment deals with initial deposit to be made under Section 7 of the Act, so as to accord it more closely with the prevailing conditions, etc.	This amendment is not immediately necessary as all the local insurers have made the deposit and as insurers registered in British India are exempt from making any such deposi
	This is to harmonize the date mentioned here with the dates in sub-Section (1) of Section 28.	It is unnecessary to introduce it urgently.

GEN. & REV. SECTT. 19 SEP. 1941 AGRI. & FOREST BRANCH.

Amendment of Section 28.	...requires that insurers shall furnish the particulars necessary to establish that they have complied with Section 27 and reinforces the powers of the Superintendent to insist on their doing so by a sanction.	Though this is a necessary amendment to be introduced, its importance is not such as to call for its enactment urgently.
Section 7:- Amendment of Section 35.	Clause (a) provides for the case in which the transfer is to a person who is not actually an insurer while clause (b) is purely verbal.	Not necessary to be introduced at present.
Section 8:- Amendment of Section 36.	This amendment empowers the Court to make orders as to the ~~deposit~~ disposal of deposits when an amalgamation is sanctioned.	Though this is a necessary amendment as its practical importance is not great in Mysore, it is not necessary to introduce it at present.
Section 9:- Amendment of Section 42.	The change ~~serves~~ secures that the work of renewing the large number of licences should be distributed throughout the year instead of being concentrated about on a single date, viz., ~~30th June.~~ 1st April	This amendment has been included in the draft bill.
ection 10:- Substitution of ew Sections for ections 65 and 66.	The amendments recast the existing Sections with the object of clearly distinguishing provident Societies from ordinary insurers.	The need for the introduction of this is not urgent.
ection 11:- (Amendment of ction 73) and ction 12:-	These amendments are consequential to Section 10.	Not necessary as Section 10 has not been incorporated.
ction 13:- Amendment of ction 85.	This brings Section 85 into accord with Section 29 the corresponding provision relating to insurers.	This is not necessary at present.
tion 14:- Insertion of ew Section 106 A.	This requires the Court to give the Superintendent of Insurance an opportunity of being heard before it passes certain orders.	Though this is a necessary amendment as at present its practical importance is not great. This may be put for a future date.
tion 15:- nsertion of new tions 110 A and B.	The first of these Sections enables the Superintendent of Insurance to delegate his powers and duties while relating the powers of ~~exact~~ control and revision. The second provides that documents, i.e., licences may be signed by a mechanical process.	These first amendments have been included in the proposed draft bill. The other Section may be included at a later date.

Continued:

Section 16:- Amendment of Section 114.	The amendments made by sub-clause (a) are consequential. Sub-clause (b) removes a practical difficulty.	Sub-clause (a) is not urgent and sub-clause (b) is unnecessary.
Section 17:- Amendment of Section 116.	The amendment made by sub-clause (a) widens the extent to which concessions can be made.	This is included in the draft Bill as it is found necessary to empower Government with this.
Section 18:- Amendment of First Schedule.	These are consequential on the change made in Section 7 (1) d, of the Act.	This is unnecessary as 7 (i) d, has not been amended.
Section 19:- Amendment to Third Schedule.	The expression 'Payable outside India' is substituted by the words 'Ordinarily paid outside India', to avoid ~~xxxxxx~~ ambiguity. The others are consequential on the change made in Section 7 (i) (d) of the Act.	May be introduced to our Act at a later date.

INSURANCE (Amendment) ACT 1941, Act ~~VIII~~ of 1941.

Section 2:- Amendment of Section 2.	The amendment in sub-clause (a) notifies an omission while sub-clause (b) substitutes a more apt expression.	Not necessary at presen
Section 3:- Amendment of Section 3.	The amendment removes doubt about the validity of policy contracts and various other points.	It is not necessary to introduce them immediately.
Section 4:- Insertion of a new Section 3 A.	Provides for the annual registration of insurers on payment of prescribed fee.	This has been included in the draft Bill.
Section 5:- Amendment of Section 4.	Sub-clause (a) substitutes a more apt expression while sub-clause (b) removes doubts as to what is a group policy.	Not necessary at present
Section 6:- Amendment o Section 5.	Substitutes a more apt expression.	Not necessary at present as it only rectifies a draft flaw.
Section 7:- Amendment of Section 7.	The addition makes it clear that the Reserve Bank of India Ltd., is ~~certified~~ to charge the normal commission on purchase and sale of securities.	This may be introduced at a future date if though necessary.
Section 8:- Amendment of Section 10.	The amendment in sub-clause (a) enables the Central Government to provide for the keeping of a separate account of such classes of miscellaneous insurance business as are capable of actuarial valuation except where the Superintendent of Insurance	As the amendments are of small practical importance they may be introduced at a future date.

	small for that requirement. The other sub-clauses rectify minor verbal defects.	
ection 9:- Amendment of ection 11.	The amendment in sub-clause (a) is consequental to sub-clause (a) of ~~clause~~ 8 sub-clause (b) removes an ambiguity.	The amendments a important and may introduced at a la date.
ection 10:- Amendment of ction 13.	The amendment provides for the actuarial valuation of those sub-clauses of miscellaneous insurance which are susceptible of such valuation.	May be introduce later date.
ction 11:- Amendment of ction 15.	The amendments extend the time for submission of valuation returns by insurers.	May be introduced a later date.
ction 12:- mendment of ction 16.	Sub-clause (a) supplies a drafting omission. Sub-clauses (b) and (c) extend the provisions of Section 16 to miscellaneous insurance for which provision is made by the amendment proposed to Section 10 (i) by sub-clause (a) of ~~clause~~ 8 and also rectify some drafting omissions.	
	The insertion removes an existing doubt whether filing under Indian Companies Act, 1913, are payable where advantage is taken of the provisions of Section 17 of the Insurance Act.	This has been incl in the draft Bill.
	This provides for a period of limitation of 3 months for an application to court against an order of the Superintendent of Insurance.	May be introduced a later date.
	The insertion extends the powers of the Superintendent of Insurance to all valuations of insurers.	do -
	The Section referred to deals with the publication of summaries of the returns of insurers and Provident Societies. The latter are dealt with in a separate part of the Act and the Section is accordingly omitted here and is re-introduced in Part V in a clearer form.	- do -
	The addition makes it clear that the alterations have also to be authenticated and certified in the same manner as the originals.	This is a necessary amendment and may introduced at a later date.

Section 18: - Amendment of Section 28.	The amendments are designed to release insurers from the necessity of furnishing the detailed particulars necessary to establish that they have complied with Section 27 twice in the year., provided that they supply quarterly particulars of assets held invested by them under that Section, but permits the Superintendent of Insurance to call for the detailed particulars twice a year whenever necessary.	This is a necessary amendment and introduced at a latter date.
Section 19:- Amendment of Section 29.	The addition makes it clear that the Director is not debarred from taking a loan on his life policy within its surrender value, notwithstanding Section 86 D of the Indian Companies Act.	- do -
Section 20:- Amendment of Section 33.	Sub-clause (a) enables an Auditor or an Actuary for an investigation under Section 33 to be appointed alternately or simultaneously or one after other or in any order. Sub-clause (b) provides a period of limitation for an application to court against the action of Superintendent of Insurance. Sub-clause (c) removes drafting irregularities.	- do -
Section 21:- Amendment of Section 34.	The amendments provides for the recovery of expenses incurred in taking action under Section 33, as if they were land revenue and gives such expenses priority over all other debts of the insurer.	This is a necessary amendment and may be introduced at a future date.
Section 22:- Amendment of Section 35.	Sub-clause (a) provides that the Central Government shall receive four sets of documents on which a transfer or amalgamation is based. Sub-clause (b) removes drafting errors. This secures that the disposal of the deposits of amalgamating insurers in an amalgamation or of the deposit of a transfer or in a transfer shall be made in accordance with the interests of the policy-holders concerned.	

Section 24:- Amendment of Section 37.	Sub-clauses (a), (b) and (d) extend the existing provisions of Section 37 to cover the case of transfer of insurance business to a person who is not an insurer. Sub-clause (c) provides that two sets of the documents on which the amalgamation or transfer is based shall be sent to the Central Government in cases not governed by Section 22. Sub-clause specifies ~~the~~ greater detail the documents required.	This is a necessary amendment and introduced at a later date.
Section 25:- Amendment of Section 38.	Removes an ambiguity.	- do -
Section 26:- Amendment of Section 39.	Sub-clause (a) removes a doubt as to the position on re-assignment to the original insured. Sub-clause (b) remov a practical difficulty arising when a policy is assigned to the insurer in consideration of a loan granted to him withi its surrender value.	- do -
Section 27:- Amendment of Section 41.	Sub-clauses (a) and (b) rectify drafting errors.	- do -
Section 28:- Amendment of Section 42.	The amendments in sub-clauses (a) and (b) provide for increasing the licence fee to three rupees and for a penalty not exceeding one rupee if renewal is applied for late. Sub-clause (c) extend the disqualifying offences, provide for the removal of the disqualification after a certain time and correct a drafting error. Sub-clause (d) provides for the issue of a duplicate if the original is lost, destroyed or mutilated.	Of this only sub-clauses (a), (b) and (d) have been included in the draft bill as the need for their incorporation is urgent in order to increase the realisations under the Insurance Act. The other amendment may be included after some time.
Section 29:- Amendment of Section 43.	Rectifies drafting -- mistake.	May be ~~put off to~~ included at a later date.
Section 30:- Amendment of Section 44.	Rectifies a drafting mistake.	- do -
Section 31:- Amendment of Section 45.	Sub-clause (a) provide for further relief to insurers against fraudulent suppression of material facts. Sub-clause (b) provides for adjustment of the terms of a policy when an error in age	The inclusion of these important amendments is necessary and may be taken up after some time.

Section 32:- Amendment of Section 47.	The amendment removes the inconvenience resulting from the fact that the provisions of the Section are mandatory.	This is a very important amendment and may be introduced after some time.
Section 33:- Amendment of Section 48.	Sub-clause (a) makes it clear that a Company cannot interfere with the manner prescribed for the election of policy-holder directors. The first insertion in sub-clause (b) enables all policy holders entitled to vote or stand for election to exercise their rights and prevents any 'watering' of the list of voters or candidates, while the second provides for suitable exemption in certain cases which are found in practice to give rise to practical difficulties.	- do -
Section 34:- Substitution of new Section for Section 49.	The substitution specifies more clearly than at present the circumstances under which and the limit within which debentures may be serviced.	- do -
Section 35:- Amendment of Section 50.	This provides for dispensing with notice by an insurer in a case where it is obviously unnecessary.	- do -
Section 36:- Amendment of Section 52.	The additions provide for equitable winding up of all insurance business on the dividing principle, when such business becomes unlawful after 1-7-1942 - except in cases when the Superintendent of Insurance sanctions the measures for winding up already taken.	This amendment has been included in the draft Bill.
Section 37:- Amendment of Section 53.	Sub-clause (a) adjusts a drafting of law. Sub-clause (b) supplies an omission.	Corresponding the amendments to the Mysore Insurance Act are necessary and may be taken up later.
Section 38:- Amendment of Section 69.	Sub-clause (a) mingles the definition of 'business on dividing principle' in respect of provident - Societies into line with the definition of the same business in respect of insurers. The sub-clause (b) provides in the case of provident Societies for equitable winding up of insurance business on the dividing principle on the same lines as those laid down in the case of insurers by Section 86. The first amendment in Sub-clause (a) supplies	

Amendment of Section 70.	an omission while the second clarifies the position regarding provident Societies - established outside British India and the third provides for registration fee of Rs.200 for new Provident Societies. The first amendment in sub-clause (b) supplies two omissions while the second amendment provides for the cancellation of registration without formal notice to the Society or an application to the Court in certain cases necessary. Sub-clause (c) makes detailed provision for the consequences of a cancellation of registration including provision for the revival of registration in such cases.	Corresponding ~~the~~ amendments to the Mysore - Insurance Act are necessary and may be taken up later.
Section 40:- Insertion of new Sections 70 A and 70 B.	The first section provides for annual renewal of registration of Provident Societies on the same lines as clause 4 does for insurers. The second Section requires full particulars as to address, directors, persons in charge, etc., to be supplied by Provident - Societies already registered and provides for maintaining a correct record of such particulars.	The first Section has been included in the draft Bill and the second may be incorporated after some time.
ection 41:- Amendment of ection 72.	This eliminates a lacuna.	May be incorporated in our Act at a later date.
ection 42:- Amendment of ection 74.	Sub-clause (a) eliminates a lacuna and (b) supplies an omission.	- do -
ection 43:- Amendment of ection 77.	This makes it clear that Provident Society whether established in British India or out side British India must have a principal office in British India.	This is an important amendment and may be included in our Act at a later date.
ection 44:- Amendment of ection 79.	Sub-clause (a) is consequential on the amendment of Section 77 in Section 43 above. Sub-clause (b) enables the forms of registers to be prescribed in the rules at great length and with sufficient flexibility to suit the needs of different types of Provident Societies. Sub-clause (c) is consequential.	These may be taken when the amendment Section 77 on the lines of Section 43, Supra, is taken up.

Section 45:- Amendment of Section 82.	The first amendment in Sub-clause (a) provides for the submission of printed form of certain returns of Provident Societies while the second amendment gives the Societies a needed extension of time for submission of their returns. The insertion and the addition in sub-clause (b) bring the provisions applicable to the returns of insurers.	These may be taken when the amendment Section 77 on the lines of Section 43, supra, is taken up.
Section 46:- Amendment of Section 83.	Sub-clauses (a) and (c) remove ambiguities. Sub-clause (b) fixes a date before which actuarial reports on schemes in operation on 1-7-1939 must be submitted. Sub-clause (d) clarifies the position of policy-holders under a prohibited scheme and (e) substitutes mere apt words;	May be taken up at a later date.
Section 47:- Amendment of Section 85.	Sub-clause (a) removes ambiguities about the investments that must be made by Provident Societies and also provides that cash held in deposit may be taken into account, as ~~xf~~ ~~x~~ if it was invested.	- do -
Section 48:- Amendment of Section 87.	The first amendment in sub-clause (a) adds the necessary reference to the case of a Provident Society established outside British India. The second amendment in sub-clause (a) and sub-clauses (b) and (c) bring the provisions applicable to investigations into the affairs of Provident Societies into line with similar provisions applicable to insurers already ~~exempted~~ explained in Section 20 supra.	- do -
Section 49:- Amendment of Section 88.	Sub-clause (a) supplies an omission and the amendment in sub-clause (b) is consequential.	- do -
Section 50:- Amendment of Section 90.	Sub-clause (a) serves the Superintendent of Insurance from unnecessarily incurring expenses out of public revenue in the liquidation of Provident Societies.	- do -
Section 51:- Amendment of Section 91.	This is consequential to Section 50 supra.	May be introduced after Section 50 supra is incorporated into the Mysore Act.
Section 52:- Amendment of Section 92.	This provides that the cost of liquidation of a Provident Society shall have priority over other debts when they are held to be payable out of the assets of the Societ~~y~~ ~~xxx~~.	May be introduced into our Act at a later date.

Section 53:- Amendment of Section 98.	Sub-clause (a) supplies verbal omissions which have given rise to practical difficulties and sub-clause (b) extends the existing provisions relating to disposal of deposits held immediately prior to 1-7-1939 and Co-operative insurers also.	May be introduced in our Act at a latter da
Section 54:- Amendment of Section 100.	This saves 'Mutual' insurers the duty and expense of sending copies of accounts to all their members as matter of cour but gives every member the right to receive a copy of the accounts on application.	- do -
Section 55:- Amendment of Section 102.	Supplies some verbal omissions and substitute a more apt expression.	- do -
Section 56:- Amendment of Section 103.	Sub-clauses (a) and (b) rectify verbal defects and sub-clause (c) makes provisions similar to those applicable to insurers applicable to provident Societies also.	Sub-clause (a) is included in the draft Bill the rest may be incorporated after some time.
Section 57:- Amendment of Section 105.	Makes the existing provision of Section 105 referring to insurers applicable to Provident Societies also.	May be included at a latter date.
ection 58:- Amendment of ection 106.	Enables an application to court under Section 106 to be made also by the Superintendent of Insurance and makes the Section applicable to Provident Societies.	- do -
ection 59:- Amendment of ection 107.	Makes the existing provisions of Section 107 referring to insurers, to Provident Societi also.	
ection 60:- Amendment of ction 110.	Sub-clause (a) provides for appeal against a refusal by the Superintendent of Insurance to renew registration of an insurer and sub-clause (b) provides a period of limitation of three months for appeals under Section 110.	These are important and necessary provisions and may be introduced at a latter stage.
ction 61:- Amendment of ction 113.	Sub-clause (a) recasts and clarifies sub-sections 1 and 2 of Section 113 at the same time extending the existing right of a guaranteed surrender value to holders of whole life policies also. It is also made clear that the provisions apply to holders of policies issued by provident Societies and not merely those issued by insurers. Provision is made for the guaranteed surrender value to be shown on the policy in the prescribed manner. Sub-clause (is consequential.	

Section 62:- Amendment of Section 114.	Sub-clause (a) removes an obscurity of ~~xix~~ wording which had caused some practical difficulty. Sub-clause (b) supplies an omission.	These may be introduced at a later date.
Section 63:- Amendment of Section 116.	Makes Section 116 applicable to Provident Societies also.	This has been included in the draft Bill.
Section 64:- Insertion of a new Section 116 A.	The insertion is consequential on Section 16 supra. It reproduces Section 24 in clearer form and provides that the voluminous returns under Section 28 need not be published.	May be introduced at a later date.
Section 65:- Amendment of Section 117.	Extends the provisions of Section 117 to Provident Societies.	- do -
Section 66:- Amendment of Section 118.	Enables the Superintendent of Insurance when granting exemption under Section 118 to impose conditions or to make ~~xix~~ suitable modifications of the provisions still left operative.	- do -
Section 67:- Substitution of a new Section to Section 119.	The existing Section being redundant in view of Section 32 (f) is repealed and a new Section is substituted to it providing that the public may inspect or obtain copies of documents filed under Section 32 (f).	This has been included in the draft bill.
Section 68:- ~~Amendment of Section.~~ Insertion of a new Section 122.	Amends the Indian Limitation Act to provide that the period of limitation shall run in the case of a life policy from the date of death of the life - insured instead of from the date when proof of such death is given. The policies - affected are no longer described as those under to which the sum insured is immediately after the proof of the death.	May be incprporated at a later date.
Section 69:- Amendment of First Schedule.	Sub-clauses (a) and (c) are consequential on sub-clause (a) of Section 8 supra. Sub-clause (b) supplies an omission.	These amendments are not necessary immediately as the original amendments have not been incorporated in our Act.
Section 70:- Amendment of Third Schedule.	Sub-clauses (a) and (b) are consequential on sub-clause (a) of Section 8 supra. The first three amendments in sub-clause (c) rectify verbal defects while the last one makes the explanation of the terms "Business within India" and "business out of India", applicable in the case of all insurers	- do -

Continued: P.T.O.

Section 71:-
Amendment of Fourth Schedule.

The first amendment in Sub-clause (a) and the amendments in sub-clauses (b) and (c) remove verbal defects and the second amendment in sub-clause (a) abolishes a requirement which is necessary in connection with valuation returns. Sub-clause (d) substitutes a new Form G for the existing Form G in The Fourth Schedule to the Act making it consistent with Form D which is submitted annually with the same information. Sub-clause (c) makes clear how Form J is to be prepared.

These amendments are ~~not~~ necessary - immediately as the original amendments have not been incorporated ~~xx~~ in our Act.

A. Kuibuaeeh

for SUPERINTENDENT OF INSURANCE.

1979.

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TELEPHONE No. 2226

THE MYSORE CHAMBER OF COMMERCE

MEMBER OF:
HE FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY, INDIA
HE FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE, LONDON
HE INTERNATIONAL CHAMBER OF COMMERCE INDIAN NATIONAL COMMITTEE, PARIS
HE INDIAN CHAMBER OF COMMERCE IN GREAT

Bangalore City, 24th Feb. 1942

From

The Secretary,
Mysore Chamber of Commerce,
Bangalore.

I.L. 40-40-S

To

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Development Department, Bangalore.

Sir,

Re: Amendment to the Mysore Insurance Act, 1939.

I am directed by the Committee of the Chamber to refer to letter No.810 M.C.C. dated 27th August 1941 addressed to the Secretary to Government, Law Department, Bangalore, regarding the above matter and to state that the amendments introduced into the Insurance Act, 1938, are of a far-reaching character and it seems necessary that steps should be taken to suitably amend our local Insurance Act, 1939, on similar lines. The necessity for the introduction of an amending Bill in the local Legislature appears all the greater at the present moment in view of the reciprocal arrangements entered into between the Government of India and the Mysore Government. The Government of India since passing the Act of 1938, have introduced three amending Bills and these have now been incorporated into the Act of 1938. The Mysore Insurance Act, 1939, has been drafted on the lines of the Indian Insurance Act, 1938 and the Committee do not see any reason as to why similar amending Bills have not so far been introduced into the local Legislatures.

2. The amendments to the Indian Insurance Act, 1938, were introduced to meet the many difficulties experienced in its

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Bangalore City, 24th Feb. 194 2

its working in British India. Here, in Mysore, there are many insurers, both foreign and local. Foreign insurers find it difficult to operate here under the Act now in force in Mysore, while local insurers have to labour under unfavourable circumstances. In this state of affairs, the Committee feel that the reciprocal arrangement recently entered into may not work satisfactorily.

3. The Committee desire to suggest the following amendments among others which have been introduced into the Indian Act may be considered in connection with Mysore Act of 1939:-

(a) Amendment of Section 3 for validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3(A)(1) by certain insurers, who did not register themselves under the Act in the hope of obtaining exemption under the reciprocal arrangement entered into with the Government of India.

(b) Two Section, viz. 3(A)(2) and 70(A) have been introduced providing for the annual renewal of registration of insurers and provident Societies on payment of the prescribed fees.

(c) Section 42 has been amended so as to enhance the fee for the grant of an Insurance Agent's licence.

(d) Section 50 of the Indian Insurance Act has been so amended as to avoid furnishing information in respect of Companies which have not particulars of surrender and paid up values mentioned on the back of the Policies concerned. Under the Mysore Insurance Act, 1939, option should be given to policyholders by Companies operating in Mysore. An amendment, on the lines on which Section 35 of the Indian Insurance Act (Amending Act No. XIII of 1941) has been amended will not only

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Bangalore City, 24th Feb. 194 2

help to minimise unnecessary expenditure on establishment but also bring the Mysore Insurance Act on a level with the Indian Insurance Act.

(e) Section 52 of the Act has been amended to provide for investigation by an Actuary and equitable distribution of assets in case of closure of business on the dividing principle.

(f) Section 166 has been amended so as to empower the Central Government to notify the exemption of certain requirements of insurers constituted in British India or domiciled in an Indian State. Under Section 166(2) this amendment brings in Provident Societies also within the scope of this Section.

(4) The Committee trust that necessary steps will be taken to suitably amend the Mysore Insurance Act, 1939, at an early date, preference being given to it at the forthcoming Legislative Session of the State.

I have the honour to be,

Sir,

Your most obedient servant,

K. [illegible] Jr.

Secretary.

The [illegible] Bill.

Mr. V. [illegible] (Secretary to Government, Development Department) explained the general principles of the Bill as follows:--

[illegible] on behalf of the Congress [illegible] was prepared to accept this [illegible] been referred to the proposed clause 3(2) [illegible] that the prescribed fee for renewal of registration, viz., Rs.1,000/- was rather too high a sum, and that it be reduced.

[illegible] (Director for Education) stated that some [illegible] companies were dealing in crores of rupees and therefore the fee prescribed could not be considered to be heavy.

Mr. V. VENKATAYA pointed out that once the maximum was fixed, the tendency would be to levy the maximum fee and therefore it would be better if some sliding scale was fixed based on the premium collected just as it was done in the case of British India.

Mr.J. [illegible] IMAM replied that the fees to be levied would depend on the premium collected in the previous year subject to a maximum of Rs.1000/-.

Mr. V. [illegible] pointed out, that there was no provision so far, that a company registered once in British India under the Insurance Act, should again be registered in Mysore also. The present Bill intended to make such a provision, and that, he felt, was not necessary. He then referred to the enhancement of fees from Rs.1 to Rs.5 for obtaining licenses and said that as the fee was only Rs.1-8-0 in British India, it might be fixed at the same level in the Bill also. With these remarks, he wholeheartedly supported the Bill.

Mr.J. [illegible] IMAM replied that as far as possible they would conform to the rules prevalent in British India. He added that there were a number of persons coming up to work as insurance agents. They had to collect heavy sums of money by way of premium and it was therefore desirable to increase the licensing fee as proposed and to employ better type of people for this work.

The principles of the Bill were thereupon put and passed unanimously.

13. THE INSURANCE (AMENDMENT) BILL.

Statement of ~~Principles~~. Objects & Reasons

In order to regulate and control the insurance business in the Mysore State, an Act on the lines of the Insurance Act in British India was promulgated in Mysore in 1939. Since then two Acts have been passed in British India in the years 1940, 1941 amending the provisions of the British Indian Act to remedy certain defects observed in working the Act ~~and also to give~~ effect to the reciprocal arrangements entered into by the Government of India with the Indian States. The reciprocal arrangements between British India and Mysore State were concluded in December 1941.

The note on clauses appended below indicate the nature of the amendments proposed to be effected by the Bill.

The main object of the Bill is to amend the Mysore Insurance Act, 1939, so as to facilitate the working of the reciprocal arrangements that have been entered into with the Government of India.

The principal amendments included in this Bill provide for (*a*) validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3 (1) by certain insurers who did not register themselves under the Act in the hope of obtaining exemption from registration in view of proposed reciprocal arrangements to be entered into with Government of India; (*b*) grant of permission to the public to inspect or get copies on payment of a fee of documents filed by insurers; (*c*) protection of the interests of policy-holders concerned when a Provident Society ceases to carry on insurance business on the dividing principle; (*d*) extension of granting reciprocal exemptions under Section 116 to Provident Societies also.

The Bill also provides an annual fee for renewal of registration of insurers and Provident Societies and for an increase in the fee charged for agents' licences. These provisions are proposed in order to increase the realisations under the Act.

5. This clause removes the existing doubt whether the filing fees under the Indian Companies Act are payable where advantage is taken of the provisions of section 17 of the Insurance Act ~~and Colony section 18 of Act XIII of 1941.~~

Notes on Clauses.

THE INSURANCE (Amendment) BILL

2.(i) The first amendment makes registration applicable to persons before they became insurers in the technical sense by commencing insurance business. The second removes doubts about validity of policy contracts entered into after the expiry of the period of three months mentioned in section 3(i) by certain insurers who failed to obtain a certificate of registration in time in thehope of getting exemption under reciprocal arrangement with the Government of India. ~~This clause follows section 3 of Act X of 1940.~~

2.(ii) The insertion of the new clause provides for the annual registration of all insurers on payment of a prescribed fee not exceeding 1,000/- for each class of insurance. ~~This clause follows section 4 of Act XIII of 1941.~~

3. The amendments in sub-clauses (a) and (b) provide for increasing the licence fee to Rs.3/- and for a penalty not exceeding Rs.1/- if renewal is applied for late. Provision is also made that the work of renewing licences is distributed throughout the ~~xxxx~~ year instead of being concentrated about a single date. Sub-clause (c) provides for the issue of duplicate if the original is lost, destroyed or mutilat

This clause follows section 9 of Act XX of 1940, and section 28 (a) and (b) of Act XIII of 1941.

5. This clause provides for equitable winding up of all insurance business on a dividing principle when such business becomes unlawful after the 1st of July 1942, except in cases where the Superintendent of Insurance sanctions measures for winding up already taken. This clause follows section 36 of Act XIII of 1941.

6. The insertion of the new section provides for annual renewal and registration of Provident Societies on the same lines as clause 2(ii) of the Bill does for insurers and follows section 40 of Act XIII of 1941.

7. This clause rectifies a verbal defect and follows section 56 of Act XIII of 1941.

8. The first of the new sections inserted by this clause enables the Superintendent of Insurance to delegate his powers and duties while retaining powers of control and revision. The second provides that documents like licences, etc., may be signed by mechanical process. This clause follows section 16 of Act XX of 1940.

9. The amendment made by sub-clause (a) widens the extent to which concessions

can be made to foreign companies.

Sub-clause (b) makes section 116 applicable also to Provident Societies. This clause follows section 17 of Act XX of 1940 and section 63 of Act XXII of 1940.

10. The existing section 119 being redundant when read with section 2(ii)(f) is repealed and in its place a new provision is inserted providing that the public may inspect or obtain copies of documents filed under section 3(ii)(f) and follows section 67 of Act XIII of 1941.

THE INSURANCE (AMENDMENT) BILL.

WHEREAS it is expedient to amend the Insurance Act, 1939, for the purposes hereinafter appearing;

It is hereby enacted as follows.—

1. This Act may be called the Insurance (Amendment) Act, 194 .

Amendment of Section 3 of Act XXII of 1939.

2. In Section 3 of the Insurance Act, 1939, (hereinafter referred to as the said Act),—

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely:—

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of registration in accordance with the requirements of this sub-section shall not operate to invalidate any

contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 194 , he has obtained that certificate."

(ii) After Section 3 of the said Act, the following section shall be inserted, namely :—

Renewal of registration.

"3A. (1) An insurer who has been granted a certificate of registration under Section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December 1942.

(2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates.

* * * *

(5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

Amendment of Section 17 of Act XXII of 1939.

3. In Section 17 of the said Act, after the words "and the copy of the accounts and the balance sheet so sent" the words "shall be chargeable with the same fees and" shall be inserted.

Amendment of Section 42 of Act, XXII of 1939.

4. In Section 42 of the said Act,—

(*a*) in sub-section (1), for the words "one rupee" the words "three rupees" and for the words "making an application under this section" the words "making an application in the prescribed manner" shall be substituted :

(*b*) in sub-section (3) for the words "shall expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted, namely :—

"the prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the licence does not reach the issuing authority before the date on which the licence ceases to remain in force" ;

(*c*) after sub-section (5), the following sub-section shall be added, namely :—

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

Amendment of Section 52 of Act XXII of 1939.

5. Section 52 of the said Act shall be renumbered as sub-section (1) of that section and to the section as so re-numbered the following sub-sections shall be added, namely :—

"(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 194 , to carry

on business on the dividing principle, the insurer shall forthwith cause an investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall, before the expiration of six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid-up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

(3) Where at any time prior to the commencement of the Insurance (Amendment) Act, 1942, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that Act, report to the Superintendent of Insurance, the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction and if he refuses his sanction, or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2) shall apply to the insurer forthwith."

Insertion of new Section 70A in Act XXII of 1939.

6. After section 70 of the said Act the following sections shall be inserted, namely:—

Renewal of registration.

"70A. (1) Every provident society registered under this Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 194 .

(2) An application for the renewal of a registration shall be made by the society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied *by evidence of payment of* the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the society.

* * * *

(4) If a provident society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by the society, as he may require.

(5) The Superintendent of Insurance shall, on being satisfied that the society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renwal of registration.

Amendment of Section 103, Act XXII of 1939.

7. In Section 103 of the said Act,:—

In sub-section (1), for the word "transacts" the words "carries on" shall be substituted.

Insertion of new Sections 110A and 110B in Act XXII of 1939.

8. After Section 110 of the said Act the following sections shall be inserted, namely :—

Delegation of powers and duties of the Superintendent of Insurance.

"110A. The Superintendent of Insurance may by general or special order delegate any of his powers or duties under this Act to any person subordinate to him. The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations and conditions, if any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

Signature of documents.

110B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of Section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved, lithographed or impressed by any other mechanical process approved by the Government."

Amendment of Section 116, Act XXII of 1939.

9. (*a*) Section 116 of the said Act shall be renumbered as sub-section (1) of that section and in the section as so renumbered, for the words, figures and brackets "from the provisions of Section 7 or Section 98 relating to deposits or from the provisions of sub-section (2) of Section 27 relating to the keeping of assets in Mysore, or from the provisions of Sections 11, 12 and 13 relating the preparation of accounts, audit, and actuarial report and abstracts" the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted ;

(*b*) To the section as so renumbered, the following sub-section shall be added, namely :—

"(2) This section shall apply in respect of provident societies as defined in Part III as it applies in respect of insurers."

Substitution of a new Section for Section 119, Act XXII of 1939.

10. For Section 119 of the said Act, the following section shall be substituted, namely :—

Inspection and supply of copies of published prospectus.

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (*f*) of sub-section (2) of Section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy."

STATEMENT OF OBJECTS AND REASONS.

In order to regulate and control the insurance business in the Mysore State, an Act on the lines of the Insurance Act in British India was promulgated in Mysore in 1939. Since then three Acts have been passed in British India in the years 1939, 1940, 1941 amending the provisions of the British India Act to remedy certain defects observed in working the Act and also to give effect to the reciprocal arrangement entered into by the Central Govt with the Indian States in working the Act. The reciprocal arrangements between British India and Mysore State was concluded in December 1941.

The main object of the Bill is to amend the Mysore Insurance Act, 1939, in order to facilitate the working of the reciprocal arrangements that ~~it has~~ have been ~~proposed to be~~ entered into with the Government of India.

2. The principal amendments included in this Bill provide for, (a) validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3(1) by certain insurers who did not register themselves under the Act in the hope of obtaining exemption from registration in view of proposed reciprocal arrangements to be entered into with Government of India; (b) grant of permission to the public to inspect or get copies on payment of a fee of documents filed by insurers; (c) protection of the interests of policy holders concerned when a Provident Society ceases to carry on insurance business on the dividing principle; (d) extension of granting reciprocal exemptions under Section 116 to provident Societies also.

3. The Bill also provides an annual fee for renewal of registration of insurers and provident Societies and for an increase in the fee charged for agents' licences. These provisions are proposed in order to increase the realisations under the Act.

NOTES ON CLAUSES.

Clause 2:- The first amendment made by sub-clause (i) makes registration applicable to persons before they become insurers in the technical sense by commencing insurance business. The second removes doubts about the validity of policy contracts entered into after the expiry of three months mentioned in Section 3(1) by certain insurers, who failed to obtain a certificate of registration in the hope of being exempted from registration in view of the proposed reciprocal arrangements with the Government of India. The insertion of the new Section 3 A by sub-clause (ii) provides for the annual registration of insurers on payment of a prescribed fee on a sliding scale, but not exceeding Rs.1,000/- for each class of business.

Clause 3:- The insertion removes an existing doubt whether filing fees under the Mysore Companies Act, 1938, are payable where advantage is taken of the provision of Sectio 17 of the Insurance Act.

Clause 4:- The amendment in sub-clause (a) provides for increasing the license fee to three rupees. The amendment to sub-clause (b) is made to secure that the work of renewing the large number of licences which have to be dealt with annually should be distributed through out the year and provides for a penalty not exceedin one rupee if renewal is applied for late. The addition of sub-clause (c) provides for the issue of a duplicate if the original licence is lost.

Clause 5:- The additions provide for equitable winding up of all insurance business on the dividing principle, when such business becomes unlawful after 1st January 1943 except in cases where the Superintendent of Insurance sanctions the measures for winding up.

Clause 6:- The first Section inserted by this clause provides for annual renewal of registration of provident Societies on the same lines as clause 4 does for insurers.

Clause 7:- Rectifies verbal defects.

Clause 8:- The first of the new Sections inserted by this clause enables the Superintnedent of Insurance to delegate his duties and powers while retaining powers of revision and control. The second provides that documents, e.g., licences may be signed by mechanical process.

Clause 9:- The amendment made by sub-clause (a) widens the extent to which concessions can be granted to insurers registered outside Mysore, operating in Mysore. Sub-clause (b) makes Section 116 applicable also to Provident Societies.

Clause 10:- The existing Section 119 being redundant when read with Section 3(2)f is repealed and in its place a new provision is inserted providing that the public may inspect or obtain copies of documents filed under Section 3 (2) f.

3(1) No insurer shall, after the Commencement of this Act, begin to carry on any class of insurance business in Mysore, and no insurer carrying on any class of insurance business in Mysore shall, after the expiry of three months from the Commencement of this Act continue to carry on any such business unless he has obtained from the Superintendent of Insurance a certificate of registration.

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The amendments are based on the amendments to the British Indian Act in 1940 & 1941 only some have been adopted and the others have been left out.

The consent of Chamber of Commerce was also obtained for the attention of Govt to the amendment of Section 42

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Amendment of
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The amendment may be adopted. L/M

The Superintendent of Insurance has noted the necessity of adopting this amendment as an emergency measure in consultation with the officers of the National Advance Co. L/M

The Superintendent of Insurance also supports the adoption of the Amendment L/M

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Insertion of new Section 70A.

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Amendment of Section 116, XXII of 193...

Section 116.

The Government may by notification in the official gazette exempt any insurer, contributor, incorporated or domiciled elsewhere than in Mysore from the provisions ... specified in the notification.

9. (a) ~~In~~ Section 116 of th... (1) of that section and re-numbered ... ~~(a)~~ for the words, figur... "from the provisions o... Section 98 relating to ... from the provisions of ... of section 27 relating ... of assets in Mysore, or ... provisions of Sections ... relating to the prepara... audit, and actuarial re... abstracts ~~either~~ absolut... to such conditions or mo... may be prescribed in the ... the words "from any of th... of this Act which may be ... the notification" shall b...

(b) ~~Section~~ 116 of the said ... re-numbered as sub-section ... ~~section~~ and to the section ... numbered the following sub-... be added, namely:--

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119. Every insurer registered under this Act shall deposit and keep deposited with the Superintendent of Insurance copies of all standard forms and policy contracts issued by him in respect

10. For section 119 the following section shall be substituted, namely:—

Inspection and supply of copies of documents.

"119. Any person may on payment of five rupees inspect at all reasonable times by an insurer with the Superintendent of Insurance under clause (2) of section 3, and obtain a copy of any such document on payment in advance at such rates for the making of the

STATEMENT OF ~~OBJECTS AND REASONS~~ Principle,

In order to regulate and control the insurance business in the Mysore State, an Act on the lines of the Insurance Act in British India was promulgated in Mysore in 1939. Since then ~~three~~ two Acts have been passed in British India in the years ~~1939~~, 1940 and 1941 amending the provisions of the British Indian Act to remedy certain defects observed in working the Act and also to give effect to the reciprocal arrangements entered into by the Central Government with the Indian States. The reciprocal arrangements between British India and Mysore State were concluded in December 1941.

The main object of the Bill is to amend the Mysore Insurance Act, 1939, so as to facilitate the working of the reciprocal arrangements that have been entered into with the Government of India.

The principal amendments included in this Bill provide for, (a) validating policy contracts entered into after the expiry of the period of three months mentioned in Section 3(1) by certain insurers who did not register themselves under the Act in the hope of obtaining exemption from registration in view of ~~kha~~ proposed reciprocal arrangements to be entered into with Government of India; (b) grant of permission to the public to inspect or get copies on payment of a fee of documents filed by insurers; (c) protection of the interests of policy-holders concerned when a Provident Society ceases to carry on insurance business on the dividing principle; (d) extension of granting reciprocal exemptions under Section 116 to Provident Societies also.

The Bill also provides an annual fee for renewal of registration of insurers and Provident Societies and for

an increase in the fee charged for agents' licences. These provisions are proposed in order to increase the realisations under the Act.

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A BILL TO AMEND THE INSURANCE ACT, 1939.

Whereas it is expedient to amend the Insurance Act, 1939, for the purposes hereinafter appearing;

It is hereby enacted as follows:--

1. This Act may be called the Insurance (Amendment) Act, 194

2. In Section 3 of the Insurance Act, 1939, (hereinafter referred to as the said Act),

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely:--

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of resignation in accordance with the requirements of this sub-section shall not operate to invalidate any contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 194 , he has obtained that certificate."

(ii) After section 3 of the said Act, the following section shall be inserted, namely:--

"3A. (1) An insurer who has been granted a certificate of registration under section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December, 1942.

(2) An application for the renewal of a registration

registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates.

x x x x

(5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

Amendment of Section 17 of Act XXII of 1939.

3. In section 17 of the said Act, after the words "and the copy of the accounts and the balance sheet so sent" the words "shall be chargeable with the same fees and" shall be inserted.

Amendment of Section 42 of Act XXII of 1939.

4. In section 42 of the said Act, ---

(a) in sub-section (1), for the words "one rupee" the words "three Rupees" and for the words "making an application under this section" the words "making an application in the prescribed manner" shall be substituted:

(b) in sub-section (3) for the words "shall

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expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted, namely:--

"the prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the lincence does not reach the issuing authority before the date on which the licence ceases to remain in force";

(c) after sub-section (5), the following sub-section shall be added, namely:--

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

Amendment of Section 52 of Act XXII of 1939.

5. Section 52 of the said Act shall be renumbered as sub-section (1) of that section and to the section as so re-numbered the following sub-sections shall be added, namely:--

"(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 194 , to carry on business on the dividing principle, the insurer shall forthwith cause an investigation

investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall, before the expiration of six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

(3) Where at any time prior to the commencement of the Insurance(Amendment) Act, 1942, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that Act, report to the Superintendent of Insurance the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction and if he refuses his sanction /or if the insurer does not report to him as required by this sub-section, the provisions of sub-section(2) shall apply to the insurer forthwith."

Insertion of new Section 70 A.

6. After section 70 of the said Act the following sections shall be inserted, namely:-

"70 A. (1) Every provident society registered under the Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 194 .

(2) An application for the renewal of a registration shall be made by the society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the society.

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(4) If a provident society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by the society, as he may require.

(5) The Superintendent of Insurance shall, on being satisfied that the society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration

Amendment of Section 103, Act XXII of 1939.

7. In Section 103 of the said Act,:--

In sub-section (1), for the word "transacts" the words "carries on" shall be substituted.

Insertion of new Sections 110A and 110B in Act XXII of 1939.

8. After Section 110 of the said Act the following sections shall be inserted, namely:--

Delegation of powers and duties of the Superintendent of Insurance.

"110 A. The Superintendent of Insurance may by general or special order delegate any of his powers or duties under this Act to any person subordinate to him. The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations and conditions, if any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

Signature of documents.

110 B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved, lithographed or impressed by any other mechanical process approved by the Government."

Amendment of Section 116, Act XXII of 1939.

9. (a) Section 116 of the said Act shall be re-numbered as sub-section (1) of that Section and in the Section as so renumbered, for the words, figures and brackets "from the provisions of Section 7 or Section 98 relating to deposits or from the provisions of sub-section (2) of section 27 relating to the keeping of assets in Mysore, or from the provisions of Sections 11, 12 and 13 relating to the preparation of accounts, audit, and actuarial report and abstracts" the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted;

(b) To the Section as so renumbered, the following sub-section shall be added, namely:--

"(2) This section shall apply in respect of provident societies as defined in Part III as it applies in respect of insurers."

Substitution of a new Section for Section 119, Act XXII of 1939.

10. For section 119 of the said Act, the follwing section shall be substituted, namely:--

Inspection and supply of copies of published prospectus.

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (f) of sub-section (2) of section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy."

No. R. L. 2573, dated Bangalore, the 6th June 1942.

Under the provisions of Rule 36 of the Mysore Legislative Rules, 1941, the Dewan has been pleased to order the publication in the Gazette of the undermentioned Insurance (Amendment) Bill, together with the statement of objects and reasons.

By Order,

C. NARAYANASWAMY NAIDU,
Secretary to Government,
Law Department.

THE INSURANCE (AMENDMENT) BILL.

Statement of objects and reasons.

In order to regulate and control the insurance business in the Mysore State, an Act on the lines of the Insurance Act in British India was promulgated in Mysore in 1939. Since then two Acts have been passed in British India in the years 1940, 1941 amending the provisions of the British Indian Act to remedy certain defects observed in working the Act.

The notes on clauses appended below indicate the nature of the amendments proposed to be effected by the Bill.

Notes on clauses.

Clause 2 (i) The first amendment makes registration applicable to persons before they became insurers in the technical sense by commencing insurance business. The second removes doubts about validity of policy contracts entered into after the expiry of the period of three months mentioned in section 3 (i) by certain insurers who failed to obtain a certificate of registration in time in the hope of getting exemption under reciprocal arrangement with the Government of India.

Magistrate, such statement may be admitted in evidence in any trial before a Court constituted under this Act, if such person is dead or cannot be found or is incapable of giving evidence.

Special rule of procedure.

23. (1) Notwithstanding anything contained in section 386 of the Code, where any offender has been sentenced by a Court constituted under this Act, to pay a fine, the Court may recover the fine by the issue of a warrant for the levy of the amount by attachment and sale of any property, movable or immovable, of the offender.

(2) Notwithstanding anything contained in section 545 of the Code, a Court constituted under this Act may, when imposing a fine on any person convicted by the Court, order the whole or any part of the fine recovered to be applied—

(*a*) in the payment to any person affected by the offence of compensation for any loss, injury or annoyance caused by the offence, or

(*b*) in the payment of a reward to any person who has given information leading to the detection of the offence or to the conviction of the accused.

Legal Practitioners.

24. A Court constituted under this Act shall not be required to grant an adjournment for the purpose of securing the attendance of a legal practitioner, if in the opinion of the Court such adjournment would cause unreasonable delay in the disposal of the case.

Exclusion of interference of other Courts.

25. Notwithstanding the provisions of the Code, or of anything having the force of law by whatsoever authority made or done, there shall, save as provided in this Act, be no appeal from any order or sentence of a Court constituted under this Act and, save as aforesaid, no Court shall have authority to revise such order or sentence, or to transfer any case from any such Court, or to make any order under section 491 of the Code or have any jurisdiction of any kind in respect of any proceedings of any such Court.

Application of ordinary law.

26. The provisions of the Code and of any other law for the time being in force, in so far as they may be applicable and in so far as they are not inconsistent with the provisions of this Act, shall apply to all matters connected with, arising from or consequent upon a trial by Special Criminal Courts constituted under this Act.

Repeal and Savings.

27. The Special Criminal Courts (Emergency) Act, 1942, (XVII of 1942), is hereby repealed.

Clause 2(ii) The insertion of the new clause provides for the annual registration of all insurers on payment of a prescribed fee not exceeding Rs. 1,000 for each class of insurance.

Clause 3. This clause removes the existing doubt whether the filing fees under the Indian Companies Act are payable where advantage is taken of the provisions of section 17 of the Insurance Act.

Clause 4. The amendments in sub-clauses (*a*) and (*b*) provide for increasing the licence fee to Rs. 3 and for a penalty not exceeding Re. 1 if renewal is applied for late. Provision is also made that the work of renewing licences is distributed throughout the year instead of being concentrated about a single date. Sub-clause (*c*) provides for the issue of duplicate if the original is lost, destroyed or mutilated.

Clause 5. This clause provides for equitable winding up of all insurance business on a dividing principle when such business becomes unlawful after the 1st of July 1942, except in cases where the Superintendent of Insurance sanctions measures for winding up already taken.

Clause 6. The insertion of the new section provides for annual renewal and registration of Provident Societies on the same lines as clause 2 (ii) of the Bill does for insurers.

Clause 7. This clause rectifies a verbal defect.

Clause 8. The first of the new sections inserted by this clause enables the Superintendent of Insurance to delegate his powers and duties while retaining powers of control and revision. The second provides that documents like licences, etc., may be signed by mechanical process.

Clause 9. The amendment made by sub-clause (*a*) widens the extent to which concessions can be made to foreign companies.

Sub-clause (*b*) makes section 116 applicable also to Provident Societies.

Clause 10. The existing section 119 being redundant, when read with section 2 (ii) (*f*), is repealed and in its place a new provision is inserted providing that the public may inspect or obtain copies of documents filed under section 3 (ii) (*f*).

THE INSURANCE (AMENDMENT) BILL.

WHEREAS it is expedient to amend the Insurance Act, 1939, for the purposes hereinafter appearing;

It is hereby enacted as follows.—

1. This Act may be called the Insurance (Amendment) Act, 194 .

Amendment of Section 3 of Act, XXII of 1939.

2. In Section 3 of the Insurance Act, 1939 (hereinafter referred to as the said Act),—

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely:—

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of registration in accordance with the requirements of this sub-section shall not operate to invalidate any contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 194 , he has obtained that certificate."

(ii) After Section 3 of the said Act, the following section shall be inserted, namely:—

Renewal of registration.

"3-A. (1) An insurer who has been granted a certificate of registration under Section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December 1942.

(2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates.

* * * *

(5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

3. In Section 17 of the said Act, after the words 'and the copy of the accounts and the balance sheet so sent" the words "shall be chargeable with the same fees and" shall be inserted. Amendment of Section 17 of Act XXII of 1939.

4. In Section 42 of the said Act,— Amendment of Section 42 of Act XXII of 1939.

(*a*) in sub-section (1), for the words "one rupee" the words "three rupees" and for the words "making an application under this section" the words "making an application in the prescribed manner" shall be substituted:

(*b*) in sub-section (3) for the words "shall expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted, namely:—

"The prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the licence does not reach the issuing authority before the date on which the licence ceases to remain in force";

(*c*) after sub-section (5), the following sub-section shall be added, namely:—

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

5. Section 52 of the said Act shall be renumbered as sub-section (1) of that section and to the section as so re-numbered the following sub-sections shall be added, namely:— Amendment of Section 52 of Act XXII of 1939.

"(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 194 , to carry on business on the dividing principle, the insurer shall forthwith cause an investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall, before the expiration of

six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid-up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

(3) Where at any time prior to the commencement of the Insurance (Amendment) Act, 1942, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that Act, report to the Superintendent of Insurance, the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction and if he refuses his sanction, or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2) shall apply to the insurer forthwith."

Insertion of new Section 70-A in Act XXII of 1939.

6. After section 70 of the said Act the following sections shall be inserted, namely:—

Renewal of registration.

"70-A. (1) Every Provident Society registered under this Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 194 .

(2) An application for the renewal of a registration shall be made by the Society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied *by evidence of payment of* the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the Society.

* * * *

(4) If a Provident Society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the Society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with

the application and such penalty, not exceeding the prescribed fee payable by the Society, as he may require.

(5) The Superintendent of Insurance shall, on being satisfied that the Society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration.

Amendment of Section 103, Act XXII of 1939.

7. In Section 103 of the said Act :—

In sub-section (1), for the word "transacts" the words "carries on" shall be substituted.

Insertion of new Sections 110-A & 110-B in Act XXII of 1939.

8. After Section 110 of the said Act the following sections shall be inserted, namely :—

Delegation of powers and duties of the Superintendent of Insurance.

"110-A. The Superintendent of Insurance may by general or special order delegate any of his powers or duties under this Act to any person subordinate to him. The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations and conditions, if any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

Signature of documents.

110-B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of Section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved, lithographed or impressed by any other mechanical process approved by the Government."

Amendment of Section 116, Act XXII of 1939.

9. (*a*) Section 116 of the said Act shall be renumbered as sub-section (1) of that section and in the section as so renumbered, for the words, figures and brackets "from the provisions of Section 7 or Section 98 relating to deposits or from the provisions of sub-section (2) of Section 27 relating to the keeping of assets in Mysore, or from the provisions of Sections 11, 12 and 13 relating the preparation of accounts, audit, and actuarial report and abstracts" the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted ;

(*b*) To the section as so renumbered, the following sub-section shall be added, namely :—

"(2) This section shall apply in respect of Provident Societies as defined in Part III as it applies in respect of insurers."

Substitution of a new Section for Section 119, Act XXII of 1939.

10. For Section 119 of the said Act, the following section shall be substituted, namely :—

Inspection and supply of copies of published prospectus.

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (*f*) of sub-section (2) of Section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy."

D. H. Chandrachudy
President, Legislative Council.
2/6/42

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Order No. Legis II-42 1

Dated, Bangalore, 12nd July **19** 42

Ordered that the accompanying Insurance (Amendment) Act, 1942

which received the assent of His Highness the Maharaja, on the 8th day of July 1942, be published as Act No. XXXII of 1942, in the *Mysore Gazette*, for general information.

BMR

General Secretary to Government.

Law Department

To

The Compiler, *Mysore Gazette*, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Order No. [illegible] Legis. 11-42-1 Dated, Bangalore, 22nd July 1942

Ordered that the accompanying Insurance (Amendment) Act, 1942 which received the assent of His Highness the Maharaja, on the 8th day of July 1942, be published as Act No. XXXII of 1942, in the Mysore Gazette, for general information.

Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English and Kannada, as per standing orders.

Clause 2(ii) The insertion of the new clause provides for the annual registration of all insurers on payment of a prescribed fee not exceeding Rs. 1,000 for each class of insurance.

Clause 3. This clause removes the existing doubt whether the filing fees under the Indian Companies Act are payable where advantage is taken of the provisions of section 17 of the Insurance Act.

Clause 4. The amendments in sub-clauses (*a*) and (*b*) provide for increasing the licence fee to Rs. 3 and for a penalty not exceeding Re. 1 if renewal is applied for late. Provision is also made that the work of renewing licences is distributed throughout the year instead of being concentrated about a single date. Sub-clause (*c*) provides for the issue of duplicate if the original is lost, destroyed or mutilated.

Clause 5. This clause provides for equitable winding up of all insurance business on a dividing principle when such business becomes unlawful after the 1st of July 1942, except in cases where the Superintendent of Insurance sanctions measures for winding up already taken.

Clause 6. The insertion of the new section provides for annual renewal and registration of Provident Societies on the same lines as clause 2 (ii) of the Bill does for insurers.

Clause 7. This clause rectifies a verbal defect.

Clause 8. The first of the new sections inserted by this clause enables the Superintendent of Insurance to delegate his powers and duties while retaining powers of control and revision. The second provides that documents like licences, etc., may be signed by mechanical process.

Clause 9. The amendment made by sub-clause (*a*) widens the extent to which concessions can be made to foreign companies.

Sub-clause (*b*) makes section 116 applicable also to Provident Societies.

Clause 10. The existing section 119 being redundant, when read with section 2 (ii) (*f*), is repealed and in its place a new provision is inserted providing that the public may inspect or obtain copies of documents filed under section 3 (ii) (*f*).

Act No XXXII of 1942.

THE INSURANCE (AMENDMENT) BILL, Act, 1942.

Received the assent of His Highness the Maharaja on the 8th day of July 1942

WHEREAS it is expedient to amend the Insurance Act, 1939, for the purposes hereinafter appearing;

It is hereby enacted as follows :—

1. This Act may be called the Insurance (Amendment) Act, 194 .

Amendment of Section 3 of Act, XXII of 1939.

2. In Section 3 of the Insurance Act, 1939 (hereinafter referred to as the said Act),—

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely :—

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of registration in accordance with the requirements of this sub-section shall not operate to invalidate any contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 194 , he has obtained that certificate."

(ii) After Section 3 of the said Act, the following section shall be inserted, namely :—

Renewal of registration.

"3-A. (1) An insurer who has been granted a certificate of registration under Section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December 1942.

(2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates.

* * * *

(5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

3. In Section 17 of the said Act, after the words 'and the copy of the accounts and the balance sheet so sent" the words "shall be chargeable with the same fees and" shall be inserted. Amendment of Section 17 of Act XXII of 1939.

4. In Section 42 of the said Act,— Amendment of Section 42 of Act XXII of 1939.

(*a*) in sub-section (1), for the words "one rupee" the words "three rupees" and for the words "making an application under this section" the words "making an application in the prescribed manner" shall be substituted:

(*b*) in sub-section (3) for the words "shall expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted, namely:—

"The prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the licence does not reach the issuing authority before the date on which the licence ceases to remain in force";

(*c*) after sub-section (5), the following sub-section shall be added, namely:—

"(6) The authority which issued any licence under this section may issue a duplicate licence to replace a licence lost, destroyed or mutilated on payment of the prescribed fee which shall not be more than one rupee."

5. Section 52 of the said Act shall be renumbered as sub-section (1) of that section and to the section as so re-numbered the following sub-sections shall be added, namely:— Amendment of Section 52 of Act XXII of 1939.

"(2) On the expiry of the period of three years referred to in sub-section (1), or on the insurer's ceasing before such expiry but at any time after the commencement of the Insurance (Amendment) Act, 194 , to carry on business on the dividing principle, the insurer shall forthwith cause an investigation to be made by an actuary, who shall determine the amount accumulated out of the contributions received from the holders of all policies to which the dividing principle applies and the extent of the claims of those policy-holders against the realisable assets of the insurer, and shall, before the expiration of

six months from the date on which he is entrusted with the investigation, make recommendations regarding the distribution, whether by cash payments or by the allocation of paid-up policies or by a combination of both methods, of such assets as he finds to appertain to such policy-holders; and the insurer shall, before the expiry of six months from the date on which the actuary makes his recommendations, distribute such assets in accordance with those recommendations.

(3) Where at any time prior to the commencement of the Insurance (Amendment) Act, 1942, an insurer has ceased to carry on business on the dividing principle, the insurer shall, before the expiration of two months from the commencement of that Act, report to the Superintendent of Insurance, the measures taken or proposed by him for the distribution among holders of policies to which the dividing principle applies of the assets due to them; and the Superintendent of Insurance may either sanction such measures or refuse his sanction and if he refuses his sanction, or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2) shall apply to the insurer forthwith."

Insertion of new Section 70 A in Act XXII of 1939.

6. After section 70 of the said Act the following sections shall be inserted, namely:—

Renewal of registration.

"70-A. (1) Every Provident Society registered under this Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June, 194 .

(2) An application for the renewal of a registration shall be made by the Society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied *by evidence of payment of* the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the Society.

* * * *

(4) If a Provident Society fails to apply for renewal of registration before the date specified in sub-section (2) the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the Society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with

the application and such penalty, not exceeding the prescribed fee payable by the Society, as he may require.

(5) The Superintendent of Insurance shall, on being satisfied that the Society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration.

Amendment of Section 103, Act XXII of 1939.

7. In Section 103 of the said Act :—

In sub-section (1), for the word "transacts" the words "carries on" shall be substituted.

Insertion of new Sections 110-A & 110-B in Act XXII of 1939.

8. After Section 110 of the said Act the following sections shall be inserted, namely :—

Delegation of powers and duties of the Superintendent of Insurance.

"110-A. The Superintendent of Insurance may by general or special order delegate any of his powers or duties under this Act to any person subordinate to him. The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations and conditions, if any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

Signature of documents.

110-B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of Section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved, lithographed or impressed by any other mechanical process approved by the Government."

Amendment of Section 116, Act XXII of 1939.

9. (*a*) Section 116 of the said Act shall be renumbered as sub-section (1) of that section and in the section as so renumbered, for the words, figures and brackets "from the provisions of Section 7 or Section 98 relating to deposits or from the provisions of sub-section (2) of Section 27 relating to the keeping of assets in Mysore, or from the provisions of Sections 11, 12 and 13 relating the preparation of accounts, audit, and actuarial report and abstracts" the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted ;

(*b*) To the section as so renumbered, the following sub-section shall be added, namely :—

"(2) This section shall apply in respect of Provident Societies as defined in Part III as it applies in respect of insurers."

Substitution of a new Section for Section 119, Act XXII of 1939.

10. For Section 119 of the said Act, the following section shall be substituted, namely :—

Inspection and supply of copies of published prospectus.

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (*f*) of sub-section (2) of Section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy."

(Sd) N. Madhava Rau,
Chairman

NOTIFICATION.

Order No. Rl. 105—*Legis.* 11-42-1, *dated Bangalore, the 22nd July* 1942.

Ordered that the accompanying Insurance (Amendment) Act, 1942, which received the assent of His Highness the Maharaja, on the 8th day of July 1942, be published as Act No. XXXII of 1942, in the *Mysore Gazette*, for general information.

C. NARAYANASWAMY NAIDU,
Secretary to Government,
Law Department.

ACT No. XXXII OF 1942.

THE INSURANCE (AMENDMENT) ACT, 1942.

(*Received the assent of His Highness the Maharaja on the eighth day of July 1942.*)

Whereas it is expedient to amend the Insurance Act, 1939, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Insurance (Amendment) Act, 1942.

2. In section 3 of the Insurance Act, 1939 (hereinafter referred to as the said Act),— Amendment of Section 3 of Act XXII of 1939.

(i) in sub-section (1), for the word "insurer", where it occurs for the first time, the word "person" shall be substituted, and to the sub-section the following proviso shall be added and shall be deemed always to have been added, namely:—

"Provided that in the case of an insurer who was carrying on any class of insurance business in Mysore at the commencement of this Act, failure to obtain a certificate of registration in accordance with the requirements

of this sub-section shall not operate to invalidate any contract of insurance entered into by him if before the expiry of one month from the commencement of the Insurance (Amendment) Act, 1942, he has obtained that certificate."

(ii) After section 3 of the said Act, the following section shall be inserted, namely :—

Renewal of registration.

"3-A. (1) An insurer who has been granted a certificate of registration under section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December 1942.

(2) An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance before the 31st day of December of the preceding year, and shall be accompanied by evidence of payment of the prescribed fee which shall not exceed one thousand rupees for each class of insurance business, but may vary according to the volume of business done by the insurer in Mysore in each class of insurance business to which the registration relates.

* * * *

(5) The Superintendent of Insurance shall, on fulfilment by the insurer of the requirements of this section, renew the registration and grant him a certificate of renewal of registration."

Amendment of section 17 of Act XXII of 1939.

3. In section 17 of the said Act, after the words "and the copy of the accounts and the balance sheet so sent" the words "shall be chargeable with the same fees and" shall be inserted.

Amendment of section 42 of Act XXII of 1939.

4. In section 42 of the said Act,—

(*a*) in sub-section (1), for the words "one rupee" the words "three rupees" and for the words "making an application under this section" the words "making an application in the prescribed manner" shall be substituted ;

(*b*) in sub-section (3) for the words "shall expire on the 30th June in each year" the words "shall remain in force for a period of twelve months only from the date of issue" shall be substituted, and for the words "a fee of one rupee" the following words shall be substituted, namely :—

"The prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount

ot exceeding one rupee by way of penalty if the applica-on for renewal of the licence does not reach the issuing uthority before the date on which the licence ceases to main in force";

(c) after sub-section (5), the following sub-section all be added, namely:—

"(6) The authority which issued any licence nder this section may issue a duplicate licence to replace licence lost, destroyed or mutilated on payment of the escribed fee which shall not be more than one rupee."

5. Section 52 of the said Act shall be renumbered sub-section (1) of that section and to the section as so numbered, the following sub-sections shall be added, mely:— Amendment of section 52 of Act XXII of 1939.

"(2) On the expiry of the period of three years erred to in sub-section (1), or on the insurer's ceasing ore such expiry but at any time after the commence-nt of the Insurance (Amendment) Act, 1942, to carry business on the dividing principle, the insurer shall thwith cause an investigation to be made by an actuary, o shall determine the amount accumulated out of the ntributions received from the holders of all policies to ich the dividing principle applies and the extent of the ims of those policy-holders against the realisable assets the insurer, and shall, before the expiration of months from the date on which he is entrusted with investigation, make recommendations regarding the ribution, whether by cash payments or by the alloca-n of paid-up policies or by a combination of both thods, of such assets as he finds to appertain to such cy-holders; and the insurer shall, before the expiry of months from the date on which the actuary makes his mmendations, distribute such assets in accordance n those recommendations.

(3) Where at any time prior to the commencement he Insurance (Amendment) Act, 1942, an insurer has ed to carry on business on the dividing principle, insurer shall, before the expiration of two months n the commencement of that Act, report to the erintendent of Insurance, the measures taken or osed by him for the distribution among holders of ies to which the dividing principle applies of the ts due to them; and the Superintendent of Insurance

may either sanction such measures or refuse his sanction and if he refuses his sanction, or if the insurer does not report to him as required by this sub-section, the provisions of sub-section (2) shall apply to the insurer forthwith."

Insertion of new section 70-A in Act XXII of 1939.

6. After section 70 of the said Act, the following sections shall be inserted, namely :—

Renewal of registration.

"70-A. (1) Every Provident Society registered under this Act, shall have its registration renewed annually for each period of twelve months after that ending on the 30th day of June.

(2) An application for the renewal of a registration shall be made by the Society to the Superintendent of Insurance before the 30th day of June preceding the period for which renewal is sought, and shall be accompanied *by evidence of payment of* the prescribed fee which shall not exceed two hundred rupees but may vary according to the volume of insurance business done by the Society.

(4) If a Provident Society fails to apply for renewal of registration before the date specified in sub-section (2), the Superintendent of Insurance may, so long as he has taken no action under section 88 to have the Society wound up, accept an application for renewal of registration on receipt from the society of the fee payable with the application and such penalty, not exceeding the prescribed fee payable by the Society, as he may require.

(5) The Superintendent of Insurance shall, on being satisfied that the Society has fulfilled the requirements of this section, renew the registration and grant it a certificate of renewal of registration.

Amendment of section 103, Act XXII of 1939.

7. In section 103 of the said Act—

In sub-section (1), for the word "transacts", the words "carries on" shall be substituted.

Insertion of new sections 110-A & 110-B in Act XXII of 1939.

8. After section 110 of the said Act, the following sections shall be inserted, namely :—

Delegation of powers and duties of the Superintendent of Insurance.

"110-A. The Superintendent of Insurance may, by general or special order, delegate any of his powers or duties under this Act to any person subordinate to him. The exercise or discharge of any of the powers or duties so delegated shall be subject to such restrictions, limitations

and conditions, if any, as the Superintendent of Insurance may impose, and shall be subject to his control and revision.

Signature of documents.

110-B. Every document which is required by this Act or by any rule made thereunder to be signed by the Superintendent of Insurance or by any person subordinate to him or by any officer authorised by him under sub-section (1) of section 42 shall be deemed to be properly signed, if it bears a facsimile of the signature of such Superintendent, person or officer printed, engraved, lithographed or impressed by any other mechanical process approved by the Government."

Amendment of Section 116, Act XXII of 1939.

9. (*a*) Section 116 of the said Act shall be renumbered as sub-section (1) of that section and in the section as so renumbered, for the words, figures and brackets "from the provisions of section 7 or section 98 relating to deposits or from the provisions of sub-section (2) of section 27 relating to the keeping of assets in Mysore, or from the provisions of sections 11, 12 and 13 relating the preparation of accounts, audit, and actuarial report and abstracts" the words "from any of the provisions of this Act which may be specified in the notification" shall be substituted;

(*b*) To the section as so re-numbered, the following sub-section shall be added, namely:—

"(2) This section shall apply in respect of Provident Societies as defined in Part III as it applies in respect of insurers."

Substitution of a new section for section 119, Act XXII of 1939.

10. For section 119 of the said Act, the following section shall be substituted, namely:—

Inspection and supply of copies of published prospectus.

"119. Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Superintendent of Insurance under clause (*f*) of sub-section (2) of section 3, and may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy."

N. MADHAVA RAU,

Dewan.

Price: Re. 0-0-6